

14e-9 or Rule 14e-2(a) promulgated under the Exchange Act or (ii) from making any disclosure to its stockholders if, in the good faith judgment of the Board of Directors of Bell Atlantic, after receipt of advice from outside counsel, failure to disclose would result in a reasonable possibility that the Board of Directors of Bell Atlantic would breach its fiduciary duties to Bell Atlantic's stockholders under applicable law.

(b) From and after the date hereof, GTE shall not, nor shall it permit any of its Subsidiaries to, nor shall it authorize or permit any of its officers, directors or employees or any investment banker, financial advisor, attorney, accountants or other representatives retained by it or any of its Subsidiaries to, directly or indirectly through another person, (i) solicit, initiate or encourage (including by way of furnishing information), or knowingly take any other action designed to facilitate, any Alternative Transaction (as hereinafter defined) or (ii) participate in any discussions regarding any Alternative Transaction; provided, however, that if, at any time prior to approval of this Agreement by the holders of GTE Common Stock, the Board of Directors of GTE determines in good faith, after receipt of advice from outside counsel, that the failure to provide such information or participate in such negotiations or discussions would result in a reasonable possibility that the Board of Directors of GTE would breach their fiduciary duties to stockholders under applicable law, GTE may, in response to a proposal that has been determined by it to be a GTE Superior Proposal (as defined in Section 7.2(d)), that was not solicited by it and that did not otherwise result from a breach of this Section 6.3(b), and subject to GTE giving Bell Atlantic at least two business days written notice of its intention to do so, (x) furnish information with respect to GTE and its Subsidiaries to any person pursuant to a customary confidentiality agreement containing terms no less restrictive than the terms of the Nondisclosure Agreement, provided that a copy of all such information is delivered simultaneously to Bell Atlantic, and (y) participate in negotiations regarding such proposal. GTE shall promptly notify Bell Atlantic orally and in writing of any request for information or of any proposal in connection with an Alternative Transaction, the material terms and conditions of such request or proposal (including a copy thereof, if in writing, and all other documentation and any related correspondence) and the identity of the person making such request or proposal. GTE will keep Bell Atlantic reasonably informed of the status and details (including amendments or proposed amendments) of such request or proposal on a current basis. GTE shall immediately cease and terminate any existing solicitation, initiation, encouragement, activity, discussion or negotiation with any persons conducted heretofore by GTE or its representatives with respect to the foregoing. GTE (i) agrees not to release any Third Party from, or waive any provision of, or fail to enforce, any standstill agreement or similar agreements to which it is a party related to, or which could affect, an Alternative Transaction and agrees that Bell Atlantic shall be entitled to enforce GTE's rights and remedies under and in connection with such agreements and (ii) acknowledges that the provisions of clause (i) are an important and integral part of this Agreement. Nothing contained in this Section 6.3(b) or in Section 7.2 shall prohibit GTE (i) from taking and disclosing to its stockholders a position contemplated by Rule 14e-9 or Rule 14e-2(a) promulgated under the Exchange Act or (ii) from making any disclosure to its stockholders

if, in the good faith judgment of the Board of Directors of GTE, after receipt of advice from outside counsel, failure to disclose would result in a reasonable possibility that the Board of Directors of GTE would breach its fiduciary duties to GTE's stockholders under applicable law.

(c) For purposes of this Agreement, "Alternative Transaction" means, whether in the form of a proposal or intended proposal, a signed agreement or completed action, as the case may be, any of (i) a transaction or series of transactions pursuant to which any person (or group of persons) other than Bell Atlantic and its Subsidiaries and other than GTE and its Subsidiaries (a "Third Party") acquires or would acquire, directly or indirectly, beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of more than 20% of the outstanding shares of Bell Atlantic or GTE, as the case may be, whether from Bell Atlantic or GTE or pursuant to a tender offer or exchange offer or otherwise, (ii) any acquisition or proposed acquisition of, or business combination with, Bell Atlantic or any of its Significant Subsidiaries or GTE or any of its Significant Subsidiaries, as the case may be, by a merger or other business combination (including any so-called "merger-of-equals" and whether or not Bell Atlantic or any of its Significant Subsidiaries or GTE or any of its Significant Subsidiaries, as the case may be, is the entity surviving any such merger or business combination) or (iii) any other transaction pursuant to which any Third Party acquires or would acquire, directly or indirectly, control of assets (including for this purpose the outstanding equity securities of Subsidiaries of Bell Atlantic or GTE, as the case may be, and any entity surviving any merger or business combination including any of them) of Bell Atlantic or any of its Subsidiaries or GTE or any of its Subsidiaries, as the case may be, for consideration equal to 20% or more of the fair market value of all of the outstanding shares of Bell Atlantic Common Stock or all of the outstanding shares of GTE Common Stock, as the case may be, on the date of this Agreement.

SECTION 6.4 — *Subsequent Financial Statements.* Prior to the Effective Time, each of GTE and Bell Atlantic (a) will consult with the other prior to making publicly available its financial results for any period and (b) will consult with the other prior to the filing of, and will timely file with the SEC, each Annual Report on Form 10-K, Quarterly Report on Form 10-Q and Current Report on Form 8-K required to be filed by such Party under the Exchange Act and the rules and regulations promulgated thereunder and will promptly deliver to the other copies of each such report filed with the SEC. As of their respective dates, none of such reports shall contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The respective audited financial statements and unaudited interim financial statements of each of GTE and Bell Atlantic, as the case may be, included in such reports will fairly present the consolidated financial position of such Party and its Subsidiaries as at the dates thereof and the results of their operations and cash flows for the periods then ended in accordance with GAAP applied on a consistent basis

and, subject, in the case of unaudited interim financial statements, to normal year-end adjustments.

SECTION 6.5 — *Control of Operations.* Nothing contained in this Agreement shall give Bell Atlantic, directly or indirectly, the right to control or direct GTE's operations prior to the Effective Time. Nothing contained in this Agreement shall give GTE, directly or indirectly, the right to control or direct Bell Atlantic's operations prior to the Effective Time. Prior to the Effective Time, each of Bell Atlantic and GTE shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

ARTICLE VII — ADDITIONAL AGREEMENTS

SECTION 7.1 — *Joint Proxy Statement and the Registration Statement.* (a) As promptly as practicable after the execution and delivery of this Agreement, the Parties shall prepare and file with the SEC, and shall use all reasonable efforts to have cleared by the SEC, and promptly thereafter shall mail to the holders of record of shares of Bell Atlantic Common Stock and GTE Common Stock, the Joint Proxy Statement, provided, however, that GTE and Bell Atlantic shall not mail or otherwise furnish the Joint Proxy Statement to their respective stockholders unless and until:

(i) they have received notice from the SEC that the Registration Statement is effective under the 1933 Act;

(ii) GTE shall have received a letter of PricewaterhouseCoopers L.L.P., dated a date within two business days prior to the date of the first mailing of the Joint Proxy Statement, and addressed to GTE, in form and substance reasonably satisfactory to GTE and customary in scope and substance for "cold comfort" letters delivered by independent public accountants in connection with registration statements on Form S-4 with respect to the financial statements of Bell Atlantic included in the Joint Proxy Statement and the Registration Statement; and

(iii) Bell Atlantic shall have received a letter of Arthur Andersen LLP, dated a date within two business days prior to the date of the first mailing of the Joint Proxy Statement, and addressed to Bell Atlantic, in form and substance reasonably satisfactory to Bell Atlantic and customary in scope and substance for "cold comfort" letters delivered by independent public accountants in connection with registration statements on Form S-4 with respect to the financial statements of GTE included in the Joint Proxy Statement and the Registration Statement.

(b) The Parties will cooperate in the preparation of the Joint Proxy Statement and the Registration Statement and in having the Registration Statement declared effective as soon as practicable.

SECTION 7.2 — *Bell Atlantic and GTE Stockholders' Meetings.*

(a) As promptly as practicable after the Registration Statement is declared effective under the Securities Act, Bell Atlantic shall duly give notice of, convene and hold a meeting of its stockholders (the "Bell Atlantic Stockholders' Meeting") in accordance with the DGCL for the purpose of obtaining the Bell Atlantic Stockholder Approval and shall, subject to the provisions of Section 7.2(b) hereof, through its Board of Directors, recommend to its stockholders the approval of the Stock Issuance and adoption of the Certificate Amendment.

(b) Neither the Board of Directors of Bell Atlantic nor any committee thereof shall (i) except as expressly permitted by this Section 7.2(b), withdraw, qualify or modify, or propose publicly to withdraw, qualify or modify, in a manner adverse to GTE, the approval or recommendation of such Board of Directors or such committee of the Certificate Amendment or the Stock Issuance, (ii) approve or recommend, or propose publicly to approve or recommend, any Alternative Transaction or (iii) cause Bell Atlantic to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, a "Bell Atlantic Acquisition Agreement") related to any Alternative Transaction. Notwithstanding the foregoing, in the event that prior to the adoption of the Stock Issuance and the Certificate Amendment by the holders of Bell Atlantic Common Stock the Board of Directors of Bell Atlantic determines in good faith, after it has received a Bell Atlantic Superior Proposal (as defined below) and after receipt of advice from outside counsel, that the failure to do so would result in a reasonable possibility that the Board of Directors of Bell Atlantic would breach its fiduciary duties to Bell Atlantic stockholders under applicable law, the Board of Directors of Bell Atlantic may (subject to this and the following sentences) inform Bell Atlantic stockholders that it no longer believes that such adoption is advisable and no longer recommends approval (a "Bell Atlantic Subsequent Determination"), but only at a time that is after the fifth business day following GTE's receipt of written notice advising GTE that the Board of Directors of Bell Atlantic has received a Bell Atlantic Superior Proposal specifying the material terms and conditions of such Bell Atlantic Superior Proposal (and including a copy thereof with all accompanying documentation, if in writing), identifying the person making such Bell Atlantic Superior Proposal and stating that it intends to make a Bell Atlantic Subsequent Determination. After providing such notice, Bell Atlantic shall provide a reasonable opportunity to GTE to make such adjustments in the terms and conditions of this Agreement as would enable Bell Atlantic to proceed with its recommendation to its stockholders without a Bell Atlantic Subsequent Determination; provided, however, that any such adjustment shall be at the discretion of the Parties at the time. For purposes of this Agreement, a "Bell Atlantic Superior Proposal" means any proposal (on its most recently

amended or modified terms, if amended or modified) made by a Third Party to enter into an Alternative Transaction which the Board of Directors of Bell Atlantic determines in its good faith judgment (based on, among other things, the advice of a financial advisor of nationally recognized reputation) to be more favorable to Bell Atlantic's stockholders than the Merger taking into account all relevant factors (including whether, in the good faith judgment of the Board of Directors of Bell Atlantic, after obtaining the advice of a financial advisor of nationally recognized reputation, the Third Party is reasonably able to finance the transaction, and any proposed changes to this Agreement that may be proposed by GTE in response to such Alternative Transaction). Notwithstanding any other provision of this Agreement, Bell Atlantic shall submit the Stock Issuance and the Certificate Amendment to its stockholders whether or not the Board of Directors of Bell Atlantic makes a Bell Atlantic Subsequent Determination.

(c) As promptly as practicable after the Registration Statement is declared effective under the Securities Act, GTE shall duly give notice of, convene and hold a meeting of its stockholders (the "GTE Stockholders' Meeting") in accordance with the NYBCL for the purpose of obtaining the GTE Stockholder Approval and shall, subject to the provisions of Section 7.2(d) hereof, through its Board of Directors, recommend to its stockholders the approval and adoption of this Agreement and the Merger.

(d) Neither the Board of Directors of GTE nor any committee thereof shall (i) except as expressly permitted by this Section 7.2(d), withdraw, qualify or modify, or propose publicly to withdraw, qualify or modify, in a manner adverse to Bell Atlantic, the approval or recommendation of such Board of Directors or such committee of the Merger or this Agreement, (ii) approve or recommend, or propose publicly to approve or recommend, any Alternative Transaction, or (iii) cause GTE to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement (each, a "GTE Acquisition Agreement") related to any Alternative Transaction. Notwithstanding the foregoing, in the event that prior to the adoption of this Agreement by the holders of GTE Common Stock the Board of Directors of GTE determines in good faith, after it has received a GTE Superior Proposal (as defined below) and after receipt of advice from outside counsel, that the failure to do so would result in a reasonable possibility that the Board of Directors of GTE would breach its fiduciary duties to GTE stockholders under applicable law, the Board of Directors of GTE may (subject to this and the following sentences) inform GTE stockholders that it no longer believes that the Merger is advisable and no longer recommends approval (a "GTE Subsequent Determination"), but only at a time that is after the fifth business day following Bell Atlantic's receipt of written notice advising Bell Atlantic that the Board of Directors of GTE has received a GTE Superior Proposal specifying the material terms and conditions of such GTE Superior Proposal (and including a copy thereof with all accompanying documentation, if in writing), identifying the person making such GTE Superior Proposal and stating that it intends to make a GTE Subsequent Determination. After providing such notice, GTE shall provide a reasonable opportunity to Bell Atlantic to make such adjustments in the

terms and conditions of this Agreement as would enable GTE to proceed with its recommendation to its stockholders without a GTE Subsequent Determination; provided, however, that any such adjustment shall be at the discretion of the Parties at the time. For purposes of this Agreement, a "GTE Superior Proposal" means any proposal (on its most recently amended or modified terms, if amended or modified) made by a Third Party to enter into an Alternative Transaction which the Board of Directors of GTE determines in its good faith judgment (based on, among other things, the advice of a financial advisor of nationally recognized reputation) to be more favorable to GTE's stockholders than the Merger taking into account all relevant factors (including whether, in the good faith judgment of the Board of Directors of GTE, after obtaining the advice of a financial advisor of nationally recognized reputation, the Third Party is reasonably able to finance the transaction, and any proposed changes to this Agreement that may be proposed by Bell Atlantic in response to such Alternative Transaction). Notwithstanding any other provision of this Agreement, GTE shall submit this Agreement to its stockholders whether or not the Board of Directors of GTE makes a GTE Subsequent Determination.

SECTION 7.3 — *Consummation of Merger; Additional Agreements.*

(a) Upon the terms and subject to the conditions hereof and as soon as practicable after the conditions set forth in Article VIII hereof have been fulfilled or waived, each of the Parties required to do so shall execute in the manner required by the NYBCL and deliver to and file with the Secretary of State of the State of New York such instruments and agreements as may be required by the NYBCL and the Parties shall take all such other and further actions as may be required by law to make the Merger effective, and Bell Atlantic shall take all such other and further actions as may be required by law to make the Certificate Amendment and the Bylaws Amendment effective. Prior to the filings referred to in this Section 7.3(a), a closing (the "Closing") will be held at the offices of Bell Atlantic (or such other place as the Parties may agree) for the purpose of confirming all the foregoing. The Closing will take place upon the fulfillment or waiver of all of the conditions to closing set forth in Article VIII of this Agreement, or as soon thereafter as practicable (the date of the Closing being herein referred to as the "Closing Date").

(b) Each of the Parties will comply in all material respects with all applicable laws and with all applicable rules and regulations of any Governmental Entity in connection with its execution, delivery and performance of this Agreement and the transactions contemplated hereby. Each of the Parties agrees to use all commercially reasonable efforts to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to use all commercially reasonable efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and the Option Agreements and to effect all necessary filings under the 1933 Act, the Exchange Act and the HSR Act. Without limiting the generality of

the foregoing, each of GTE and Bell Atlantic shall promptly prepare and file a Premerger Notification in accordance with the HSR Act, shall promptly comply with any requests for additional information, and shall use its commercially reasonable efforts to obtain termination of the waiting period thereunder as promptly as practicable.

(c) Each of Bell Atlantic and GTE shall, in connection with the efforts referenced in Section 7.3(a) and (b), (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) promptly inform the other party of any material communication received by such party from, or given by such party to any Governmental Entity and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby and (iii) consult with each other in advance of any meeting or conference with any such Governmental Entity or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the applicable Governmental Entity or other person, give the other Party the opportunity to attend and participate in such meetings and conferences.

(d) In furtherance and not in limitation of the covenants of the parties contained in Sections 7.3(a), (b) and (c), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement or the Option Agreements as violative of any applicable law, or if any statute, rule, regulation, executive order, decree, injunction or administrative order is enacted, entered or promulgated or enforced by a Governmental Entity which would make the Merger or the other transactions contemplated hereby or by the Option Agreements illegal or otherwise prohibit or materially impair or delay consummation of the transactions contemplated hereby or thereby, each of Bell Atlantic and GTE shall cooperate in all respects with each other and use all commercially reasonable efforts to contest and resist any such action or proceeding, to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable. Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 7.3 shall limit a party's right to terminate this Agreement pursuant to Section 9.1 so long as such Party has up to then complied in all respects with its obligations under this Section 7.3.

(e) If any objections are asserted with respect to the transactions contemplated hereby under any applicable law or if any suit is instituted by any Governmental Entity or any private party challenging any of the transactions contemplated hereby as violative of any applicable law, each of Bell Atlantic and GTE shall use its commercially reasonable efforts to resolve any such objections or challenge as such Governmental Entity or private party may

the transactions contemplated hereby shall be consistent with such joint communications plan or, to the extent inconsistent therewith, shall have received the prior written approval of the other.

SECTION 7.7 — *Transfer Statutes.* Each of GTE and Bell Atlantic agrees to use its commercially reasonable efforts to comply promptly with all requirements of the New Jersey and Connecticut Property Transfer Statutes, to the extent applicable to the transactions contemplated hereby, and to take all actions necessary to cause the transactions contemplated hereby to be effected in compliance with the New Jersey and Connecticut Property Transfer Statutes. GTE and Bell Atlantic agree that they will consult with each other to determine what, if any, actions must be taken prior to or after the Effective Time to ensure compliance with such statutes. Each of GTE and Bell Atlantic agrees to provide the other with any documents to be submitted to the relevant state agencies prior to submission and agrees not to take any action to comply with the New Jersey and Connecticut Property Transfer Statutes without the other's prior consent, which consent shall not be unreasonably withheld. Each Party shall bear its respective costs and expenses incurred in connection with compliance with the New Jersey and Connecticut Property Transfer Statutes. For purposes of this section, the New Jersey and Connecticut Property Transfer Statutes means the New Jersey Industrial Site Recovery Act, 1993 N.J. Laws 139, and the Connecticut Transfer Act, Conn. Gen. Stat. Ann. § 22a-134(b).

SECTION 7.8 — *Indemnification, Directors' and Officers' Insurance.* For a period of six years after the Effective Time, Bell Atlantic shall cause GTE to, and Bell Atlantic shall, maintain in effect the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by GTE and Bell Atlantic, respectively (provided that Bell Atlantic may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous to the insured in any material respect) with respect to all possible claims arising from facts or events which occurred on or before the Effective Time. Bell Atlantic shall cause GTE to maintain in effect (a) the current provisions regarding indemnification of officers and directors contained in the charter and bylaws of GTE and each of its Subsidiaries until the statutes of limitations for all possible claims have run; provided that Bell Atlantic need not cause GTE to maintain in effect indemnification provisions contained in the charter and bylaws of its Subsidiaries if and to the extent that Bell Atlantic assumes such indemnity obligations; and (b) any directors, officers or employees indemnification agreements of GTE and its respective Subsidiaries. Bell Atlantic shall cause GTE to, and Bell Atlantic shall, indemnify the directors and officers of GTE and Bell Atlantic, respectively, to the fullest extent to which GTE and Bell Atlantic are permitted to indemnify such officers and directors under their respective charters and bylaws and applicable law. As of the Effective Time, Bell Atlantic shall unconditionally and irrevocably guarantee for the benefit of such directors, officers and employees the obligations of GTE under the foregoing indemnification arrangements.

SECTION 7.9 — *Employee Benefit Plans.* (a) Except as otherwise provided herein or set forth in Section 6.2 of the Disclosure Schedules, GTE and Bell Atlantic agree that, unless otherwise mutually determined, the GTE Plans and the Bell Atlantic Plans in effect at the date hereof shall remain in effect after the Effective Time with respect to classes of employees covered by such plans immediately prior to the Effective Time.

From time to time from the date hereof to the Effective Time, the management of Bell Atlantic and GTE shall consult with one another for the purpose of reviewing such Benefit Plans for management (non-represented) employees of Bell Atlantic and GTE and their respective subsidiaries ("Management Employees"), and determining which of such Benefit Plans represent best competitive practices, which should be terminated at the Effective Time (or following a transition period thereafter), and which of such Benefit Plans should be redesigned and/or extended to other employees at (or after) the Effective Time. Notwithstanding the foregoing or any other provision of this Agreement, (1) after the Effective Time, Bell Atlantic shall cause the compensation and benefits provided to similarly-situated Management Employees of each business unit to be at least as valuable as the aggregate compensation and benefit package provided to such employees of that business unit immediately prior to the Effective Time, except to the extent (i) such benefits and/or compensation plans are replaced by one or more benefits and/or compensation plans at least as valuable as those which are provided to similarly situated employees of comparable business units of the other Party or its subsidiaries, or (ii) corresponding benefits for similarly situated employees of the other Party or its subsidiaries are eliminated, (2) from the Effective Time until the first anniversary thereof, Bell Atlantic shall not, and shall ensure that each of its Subsidiaries shall not, discontinue, or change eligibility provisions or levels of benefits under, severance plans, policies and arrangements in which such Management Employees participated immediately prior to the Effective Time, and further agrees that any of such plans, policies or arrangements that expire during such one-year period shall be extended for the duration of such one-year period, and (3) for the 18-month period immediately following the Effective Time, with respect to those GTE Management Employees who were relocated as part of the consolidation of GTE's world headquarters to Texas, Bell Atlantic shall not, and shall ensure that each of its Subsidiaries shall not, discontinue, or change the relocation benefits program which was applicable to such Management Employees as of the Effective Time. In addition, with respect to all Management Employees, at and after the Effective Time (i) each such employee shall receive full credit for their credited service with their respective employer prior to the Effective Time for all purposes, including eligibility (including eligibility for early retirement, disability and other benefits), vesting, level of benefits and benefit accrual (except to the extent such benefit accrual would be duplicative); (ii) any provisions which restrict benefits by reason of pre-existing conditions, waiting periods or evidence of insurability shall be waived and (iii) such employees shall receive credit under such plan for co-payments and deductible during the applicable plan year.

(b) Except as otherwise set forth in Sections 2.8 and 2.9 hereof, in the case of the GTE Plans under which the employees' interests are based upon GTE Common Stock, or the respective market prices thereof (but which interests do not constitute stock options), GTE and Bell Atlantic agree that such interests shall, from and after the Effective Time, be based on Bell Atlantic Common Stock in accordance with the Exchange Ratio.

(c) With respect to all GTE Plans which have entitlement or vesting terms that are based upon the market price or value per share of GTE Common Stock, GTE and Bell Atlantic agree that from and after the Effective Time, such market price or value per share shall be adjusted by multiplying it by the inverse of the Exchange Ratio.

(d) With respect to any GTE Plans maintained or contributed to outside the United States for the benefit of non-United States citizens or residents, the principles set forth in this Section 7.9 and in Section 6.2 of the Disclosure Schedules shall apply to the extent the application of such principles does not violate applicable foreign law.

(e) Without limiting the applicability of Sections 2.8 and 2.9 hereof, each of the Parties shall take all actions as are necessary to ensure that GTE will not at the Effective Time be bound by any stock options, SARS, warrants or other rights or agreements which would entitle any person, other than Bell Atlantic, to own any capital stock of the Surviving Corporation or to receive any payment in respect thereof, and all GTE Plans conferring any rights with respect to GTE Common Stock or other capital stock of GTE shall be deemed hereby to be amended to be in conformity with this Section 7.9.

SECTION 7.10 — Succession. (a) At the Effective Time, pursuant to the terms of the Employment Agreements (as defined below) and subject to Section 5.11 of the Bylaws of Bell Atlantic reflecting the Bylaws Amendment (the "Amended Bylaws") (i) Charles R. Lee shall hold the positions of Chairman and Co-Chief Executive Officer of Bell Atlantic and (ii) Ivan G. Seidenberg shall hold the positions of President and Co-Chief Executive Officer of Bell Atlantic. Pursuant to the terms of the Employment Agreements and subject to Section 5.11 of the Amended Bylaws (A) on June 30, 2002, Mr. Seidenberg shall become the sole Chief Executive Officer of Bell Atlantic and (B) on June 30, 2004, Mr. Lee shall cease to be Chairman of Bell Atlantic and such position will be assumed by Mr. Seidenberg. If either of such persons is unable or unwilling to hold such offices as set forth above, his successor shall be selected by the Board of Directors of Bell Atlantic in accordance with the Amended Bylaws. The authority, duties and responsibilities of the positions set forth above shall be set forth in the Employment Agreements, which Employment Agreements shall also set forth in their entirety the rights and remedies of Mr. Seidenberg and Mr. Lee with respect to employment by Bell Atlantic. Neither Mr. Seidenberg nor Mr. Lee shall have any right, remedy or cause of action under this Section 7.10, nor shall they be third party beneficiaries of this Section 7.10.

(b) As soon as practicable after the date hereof, Bell Atlantic shall enter into employment agreements effective as of the Effective Time (the "Employment Agreements") with Messrs. Lee and Seidenberg containing arrangements concerning management succession satisfactory to each Party.

SECTION 7.11 — *Stock Exchange Listing.* Each of the Parties shall use its best efforts to obtain, prior to the Effective Time, the approval for listing on the NYSE, effective upon official notice of issuance, of the shares of Bell Atlantic Common Stock into which the GTE Common Stock will be converted pursuant to Article II hereof and which will be issuable upon exercise of options pursuant to Section 2.8 hereof.

SECTION 7.12 — *Post-Merger Bell Atlantic Board of Directors.* (a) At the Effective Time, 50% of the directors of Bell Atlantic shall be directors selected by Bell Atlantic, to the extent possible from current directors of Bell Atlantic, and 50% shall be selected by GTE, to the extent possible from current directors of GTE.

The persons to serve initially on the Board of Directors of Bell Atlantic at the Effective Time who are GTE Directors (as defined below) shall be selected solely by and at the absolute discretion of the Board of Directors of GTE prior to the Effective Time; and the persons to serve on the Board of Directors of Bell Atlantic at the Effective Time who are Bell Atlantic Directors (as defined below) shall be selected solely by and at the absolute discretion of the Board of Directors of Bell Atlantic prior to the Effective Time. In the event that, prior to the Effective Time, any person so selected to serve on the Board of Directors of Bell Atlantic after the Effective Time is unable or unwilling to serve in such position, the Board of Directors which selected such person shall designate another of its members to serve in such person's stead in accordance with the provisions of the immediately preceding sentence.

(b) From and after the Effective Time and until July 1, 2002, the Board of Directors of Bell Atlantic and each Committee of the Board of Directors of Bell Atlantic as constituted following each election of Directors shall consist of an equal number of GTE Directors and Bell Atlantic Directors and subject to the fiduciary duties of the Directors, the Board of Directors shall nominate for election at each stockholders meeting at which Directors are elected, an equal number of GTE Directors and Bell Atlantic Directors. If, at any time prior to July 1, 2002, the number of GTE Directors and Bell Atlantic Directors serving, either as directors or as members of any Committee of the Board of Directors of Bell Atlantic, would not be equal, then, subject to the fiduciary duties of the directors, the Board of Directors shall appoint to fill any existing vacancy or vacancies, as appropriate, such person or persons as may be requested by the remaining GTE Directors (if the number of GTE Directors is, or would otherwise become, less than the number of Bell Atlantic Directors) or by the remaining Bell Atlantic Directors (if the number of Bell Atlantic Directors is, or would otherwise become, less than the number of GTE Directors) to ensure that there shall be an equal number of GTE Directors and Bell Atlantic Directors. The provisions of the preceding two sentences

shall not apply in respect of any vacancy which occurs after July 1, 2002. The term "GTE Director" means (i) any person serving as a director of GTE on the date hereof who becomes a director of Bell Atlantic at the Effective Time and (ii) any person who subsequently becomes a director of Bell Atlantic and who is designated by the GTE Directors pursuant to this paragraph; and the term "Bell Atlantic Director" means (i) any person serving as a director of Bell Atlantic on the date hereof who continues as a director of Bell Atlantic after the Effective Time and (ii) any person who becomes a director of Bell Atlantic and who is designated by the Bell Atlantic Directors pursuant to this paragraph. From the Effective Time through July 1, 2002, the Board of Directors shall consist of an even number of Directors and such number of Directors shall not be amended unless, immediately following such amendment, the number of GTE Directors then in office is equal to the number of Bell Atlantic Directors then in office.

(c) Each of GTE and Bell Atlantic shall take such action as shall reasonably be deemed by either thereof to be advisable to give effect to the provisions set forth in this section, including but not limited to incorporating such provisions in the Bylaws of Bell Atlantic in effect at the Effective Time.

SECTION 7.13 — *No Shelf Registration.* Bell Atlantic shall not be required to amend or maintain the effectiveness of the Registration Statement for the purpose of permitting resale of the shares of Bell Atlantic Common Stock received pursuant hereto by the persons who may be deemed to be "affiliates" of GTE or Bell Atlantic within the meaning of Rule 145 promulgated under the 1933 Act. The shares of Bell Atlantic Common Stock issuable upon exercise of options pursuant to Section 2.8 hereof shall be registered under the 1933 Act and such registration shall be effective at the time of issuance.

SECTION 7.14 — *Affiliates.* (a) Each of GTE and Bell Atlantic (i) has disclosed to the other in Section 7.14 of the Disclosure Schedules all persons who are, or may be, as of the date hereof its "affiliates" for purposes of Rule 145 under the Securities Act or SEC Accounting Series Release 135, and (ii) shall use all reasonable efforts to cause each person who is identified as an "affiliate" of it in Section 7.14 of the Disclosure Schedules to deliver to the other as promptly as practicable but in no event later than 31 days prior to the Closing Date, a signed Agreement substantially in the form attached hereto as Exhibit 7.14(a), in the case of GTE, and 7.14(b), in the case of Bell Atlantic. GTE and Bell Atlantic shall notify each other from time to time of any other persons who then are, or may be, such an "affiliate" and use all reasonable efforts to cause each additional person who is identified as an "affiliate" to execute a signed Agreement as set forth in this Section 7.14(a).

(b) If the transactions contemplated by this Agreement and the Option Agreements would otherwise qualify for pooling of interests accounting treatment, shares of GTE Common Stock and shares of Bell Atlantic Common Stock held by such "affiliates" of GTE or Bell Atlantic, as the case may be, shall not be transferable during the 30 day period prior to the Effective Time, and shares of Bell Atlantic Common Stock issued to, or as of the Effective

Time held by, such "affiliates" of GTE and Bell Atlantic shall not be transferable until such time as financial results covering at least 30 days of combined operations of GTE and Bell Atlantic have been published within the meaning of Section 201.01 of the SEC's Codification of Financial Reporting Policies, regardless of whether each such "affiliate" has provided the signed Agreement referred to in Section 7.14 (a), except to the extent permitted by, and in accordance with, SEC Accounting Series Release 135 and SEC Staff Accounting Bulletins 65 and 76. Any Bell Atlantic Common Stock held by any such "affiliate" shall not be transferable, regardless of whether such "affiliate" has provided the applicable signed Agreement referred to in Section 7.14(a), if such transfer, either alone or in the aggregate with other transfers by "affiliates", would preclude the ability of the Parties to account for the transactions contemplated by this Agreement and the Option Agreements as a pooling of interests. Bell Atlantic shall not register the transfer of any shares of Bell Atlantic Common Stock unless such transfer is made in compliance with the foregoing.

SECTION 7.15 — *Blue Sky*. GTE and Bell Atlantic will use their best efforts to obtain prior to the Effective Time all necessary blue sky permits and approvals required to permit the distribution of the shares of Bell Atlantic Common Stock to be issued in accordance with the provisions of this Agreement.

SECTION 7.16 — *Pooling of Interests*. Each of the Parties will use its best efforts to (a) cause the transactions contemplated by this Agreement to be accounted for as a pooling of interests in accordance with GAAP, and such accounting treatment to be accepted by Bell Atlantic's independent certified public accountants, by the NYSE and by the SEC, respectively, and (b) not take any action which could reasonably be expected to cause such accounting treatment not to be obtained; provided that the foregoing shall not apply to any conduct or the effect of any conduct to obtain all necessary waivers, approvals and consents, and to avoid any contractual, legal, regulatory or other issues, impediments or delays, to consummate the transactions contemplated by this Agreement and the Option Agreements. Nothing in this Agreement shall restrict the rights of any Party pursuant to the Option Agreements.

SECTION 7.17 — *Tax-Free Reorganization*. (a) Each of the Parties will use its best efforts to cause the Merger to qualify as a tax-free reorganization under Section 368 of the Code. (b) Bell Atlantic will deliver an Officer's Certificate substantially in the form of Exhibit 7.17(b)(i) executed as of the Closing Date and GTE will deliver an Officer's Certificate substantially in the form of Exhibit 7.17(b)(ii) executed as of the Closing Date

ARTICLE VIII — CONDITIONS TO MERGER

SECTION 8.1 — *Conditions to Obligations of Each Party to Effect the Merger.* The respective obligations of each Party to effect the Merger shall be subject to the following conditions:

(a) *Stockholder Approval.* Each of the GTE Stockholder Approval and the Bell Atlantic Stockholder Approval shall have been obtained;

(b) *Legality.* No federal, state or foreign statute, rule, regulation, executive order, decree, injunction or administrative order shall have been enacted, entered, promulgated or enforced by any Governmental Entity which is in effect and has the effect of (i) making the Merger illegal or otherwise prohibiting the consummation of the Merger or (ii) creating a Material Adverse Effect on GTE or Bell Atlantic, with or without including its ownership of GTE and its Subsidiaries after the Effective Time;

(c) *HSR Act; California PUC.* Any waiting period applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated and the decision and order of the California Public Utilities Commission ("CPUC") authorizing the Merger and making any required determinations under Section 854(a)-(c) of the California Public Utilities Code, including its determination as to any required allocation of economic benefits, if any, of the Merger, between shareholders and ratepayers, shall have become final;

(d) *Regulatory Matters.* All authorizations, consents, orders, permits or approvals of, or declarations or filings with, and all expirations of waiting periods imposed by, any Governmental Entity (all of the foregoing, "Consents") which are necessary for the consummation of the transactions contemplated hereby, other than Consents which, if not obtained, would not have a Material Adverse Effect on Bell Atlantic, with or without including its ownership of GTE and its Subsidiaries after the Merger, or GTE, shall have been filed, have occurred or have been obtained (all such Consents being referred to as the "Requisite Regulatory Approvals") and all such Requisite Regulatory Approvals shall be in full force and effect, provided, however, that a Requisite Regulatory Approval shall not be deemed to have been obtained if in connection with the grant thereof there shall have been an imposition by any Governmental Entity of any condition, requirement, restriction or change of regulation, or any other action directly or indirectly related to such grant taken by such Governmental Entity, which would reasonably be expected to have a Material Adverse Effect on either of (A) GTE or (B) Bell Atlantic (either with or without including its ownership of GTE and its Subsidiaries after the Merger);

(e) *Registration Statement Effective.* The Registration Statement shall have become effective prior to the mailing by each of GTE and Bell Atlantic of the Joint Proxy

Statement to its respective stockholders, no stop order suspending the effectiveness of the Registration Statement shall then be in effect, and no proceedings for that purpose shall then be threatened by the SEC or shall have been initiated by the SEC and not concluded or withdrawn;

(f) *Blue Sky.* All state securities or blue sky permits or approvals required to carry out the transactions contemplated hereby shall have been received;

(g) *Stock Exchange Listing.* The shares of Bell Atlantic Common Stock into which the GTE Common Stock will be converted pursuant to Article II hereof and the shares of Bell Atlantic Common Stock issuable upon the exercise of options pursuant to Section 2.8 hereof shall have been duly approved for listing on the NYSE, subject to official notice of issuance;

(h) *Pooling.* Unless unable to be delivered due to actions taken by the Parties which constitute mutually agreed commercially reasonable efforts or commercially reasonable efforts with respect to wireless operations, (i) Bell Atlantic shall have received a letter from PricewaterhouseCoopers L.L.P., dated as of the Closing Date, to the effect that the transactions contemplated hereby will qualify for pooling of interests accounting treatment; and (ii) GTE shall have received a letter from Arthur Andersen LLP, dated as of the Closing Date, to the effect that the transactions contemplated hereby will qualify for pooling of interests accounting treatment;

(i) *Consents Under GTE Agreements.* GTE shall have obtained the consent or approval of any person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the transactions contemplated hereby except those which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect on Bell Atlantic, including its ownership of GTE and its Subsidiaries after the Merger; and

(j) *Consents Under Bell Atlantic Agreements.* Bell Atlantic shall have obtained the consent or approval of any person whose consent or approval shall be required under any agreement or instrument in order to permit the consummation of the transactions contemplated hereby except those which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect on Bell Atlantic, including its ownership of GTE and its Subsidiaries after the Merger.

SECTION 8.2 — Additional Conditions to Obligations of GTE. The obligations of GTE to effect the Merger are also subject to the fulfillment of the following conditions:

(a) *Representations and Warranties.* The representations and warranties of Bell Atlantic contained in this Agreement shall be true and correct on the date hereof and (except to the extent such representations and warranties speak as of a date earlier than the date hereof)

shall also be true and correct on and as of the Closing Date, except for changes permitted under Section 6.2 hereof or otherwise contemplated by this Agreement and the Option Agreements, with the same force and effect as if made on and as of the Closing Date, provided, however, that for purposes of this Section 8.2(a) only, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or would reasonably be expected to result in a Material Adverse Effect on Bell Atlantic, either with or without including its ownership of GTE and its Subsidiaries after the Merger;

(b) *Agreements and Covenants.* Bell Atlantic and Merger Subsidiary shall have performed or complied with all agreements and covenants required by this Agreement to be performed or complied with by them on or before the Effective Time, provided, however, that for purposes of this Section 8.2 (b) only, such agreements and covenants shall be deemed to have been complied with unless the failure or failures of such agreements and covenants to have been complied with (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or would reasonably be expected to result in a Material Adverse Effect on Bell Atlantic, either with or without including its ownership of GTE and its Subsidiaries after the Merger;

(c) *Certificates.* GTE shall have received a certificate of an executive officer of Bell Atlantic to the effect set forth in paragraphs (a) and (b) above;

(d) *Tax Opinion.* GTE shall have received an opinion of O'Melveny & Myers LLP, special counsel to GTE, dated as of the Closing Date, in form and substance reasonably satisfactory to GTE, substantially to the effect that, on the basis of the facts, representations and assumptions set forth in such opinion, the Merger constitutes a tax-free reorganization under Section 368 of the Code and therefore: (A) no gain or loss will be recognized for federal income tax purposes by Bell Atlantic, GTE or Merger Subsidiary as a result of the formation of Merger Subsidiary and the Merger; and (B) no gain or loss will be recognized for federal income tax purposes by the stockholders of GTE upon their exchange of GTE Common Stock solely for Bell Atlantic Common Stock pursuant to the Merger (except with respect to cash received in lieu of a fractional share interest in Bell Atlantic Common Stock). In rendering such opinion, O'Melveny & Myers LLP may require and rely upon representations and covenants including representations and covenants substantially in the form of those contained in the GTE officer's certificate and the Bell Atlantic officer's certificate attached hereto as Exhibit 7.17(b)(ii) and Exhibit 7.17(b)(i), respectively;

(e) *Affiliate Agreements.* GTE shall have received the agreements required by Section 7.14 hereof to be delivered by the Bell Atlantic "affiliates," duly executed by each "affiliate" of Bell Atlantic; and

(f) *Bylaws Amendment, Board of Directors.* Bell Atlantic shall have taken all such actions as shall be necessary so that (i) the Bylaws Amendment shall become effective not later than the Effective Time; and (ii) at the Effective Time, the composition of Bell Atlantic's Board shall comply with Section 7.12 hereof (assuming GTE has designated the GTE Directors as contemplated by Section 7.12 hereof).

SECTION 8.3 — *Additional Conditions to Obligations of Bell Atlantic.* The obligations of Bell Atlantic to effect the Merger are also subject to the fulfillment of the following conditions:

(a) *Representations and Warranties.* The representations and warranties of GTE contained in this Agreement shall be true and correct on the date hereof and (except to the extent such representations and warranties speak as of a date earlier than the date hereof) shall also be true and correct on and as of the Closing Date, except for changes permitted under Section 6.2 hereof or otherwise contemplated by this Agreement and the Option Agreements, with the same force and effect as if made on and as of the Closing Date, provided, however, that for purposes of this Section 8.3 (a) only, such representations and warranties shall be deemed to be true and correct unless the failure or failures of such representations and warranties to be so true and correct (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or would reasonably be expected to result in a Material Adverse Effect on GTE or Bell Atlantic (only after including its ownership of GTE and its Subsidiaries after the Merger);

(b) *Agreements and Covenants.* GTE shall have performed or complied with all agreements and covenants required by this Agreement to be performed or complied with by them on or before the Effective Time, provided, however, that for purposes of this Section 8.3 (b) only, such agreements and covenants shall be deemed to have been complied with unless the failure or failures of such agreements and covenants to have been complied with (without regard to materiality qualifiers contained therein), individually or in the aggregate, results or would reasonably be expected to result in a Material Adverse Effect on GTE;

(c) *Certificates.* Bell Atlantic shall have received a certificate of an executive officer of GTE to the effect set forth in paragraphs (a) and (b) above;

(d) *GTE Rights Agreement.* The rights issued pursuant to the GTE Rights Agreement shall not have become non-redeemable, exercisable, distributed or triggered pursuant to the terms of such Agreement and would not become so upon consummation of the transactions contemplated hereby;

(e) *Tax Opinion.* Bell Atlantic shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Bell Atlantic, dated as of the Effective Time, in form and substance reasonably satisfactory to Bell Atlantic, substantially to the effect that,

on the basis of the facts, representations and assumptions set forth in such opinion, the Merger constitutes a tax-free reorganization under Section 368 of the Code and therefore: (A) no gain or loss will be recognized for federal income tax purposes by Bell Atlantic, GTE or Merger Subsidiary as a result of the formation of Merger Subsidiary and the Merger; and (B) no gain or loss will be recognized for federal income tax purposes by the stockholders of Bell Atlantic as a result of the Merger, including the Certificate Amendment. In rendering such opinion, Skadden, Arps, Slate, Meagher & Flom LLP may require and rely upon representations and covenants including representations and covenants substantially in the form of those contained in the GTE officer's certificate and the Bell Atlantic officer's certificate attached hereto as Exhibits 7.17(b)(ii) and 7.17(b)(i) respectively.

(f) *Affiliate Agreements.* Bell Atlantic shall have received the agreements required by Section 7.14 hereof to be delivered by the GTE "affiliates," duly executed by each "affiliate" of GTE.

ARTICLE IX — TERMINATION, AMENDMENT AND WAIVER

SECTION 9.1 — *Termination.* This Agreement may be terminated at any time before the Effective Time, in each case as authorized by the respective Board of Directors of GTE or Bell Atlantic:

(a) By mutual written consent of each of GTE and Bell Atlantic;

(b) By either GTE or Bell Atlantic if the Merger shall not have been consummated on or before July 26, 1999 (the "Initial Termination Date" and as such may be extended pursuant to this paragraph, the "Termination Date"), provided, however, that if on the Termination Date the conditions to the Closing set forth in Sections 8.1(b)(i), (c) or (d) shall not have been fulfilled, but all other conditions to the Closing shall be fulfilled or shall be capable of being fulfilled, then the Termination Date shall be extended to March 31, 2000, (the "Extended Termination Date"); and provided further that if on the Extended Termination Date the conditions to the Closing set forth in Sections 8.1(b)(i), (c) or (d) shall not have been fulfilled, but all other conditions to the Closing shall be fulfilled or shall be capable of being fulfilled, then the Termination Date shall be extended to June 30, 2000 (the "Final Termination Date"), unless within five days prior to the Extended Termination Date any Party reasonably determines that it is substantially unlikely that the conditions to the Closing set forth in Sections 8.1(b)(i), (c) and (d) will be fulfilled by the Final Termination Date and delivers to the other Parties a notice to such effect. The right to terminate this Agreement under this Section 9.1(b) shall not be available to any Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of any condition to be satisfied;

(c) By either GTE or Bell Atlantic if after the date hereof a court of competent jurisdiction or Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the Parties shall use their commercially reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and the Option Agreements, and such order, decree, ruling or other action shall have become final and nonappealable;

(d) (i) by GTE, (A) if Bell Atlantic shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by Bell Atlantic prior to the Termination Date and (2) renders any condition under Section 8.1 or 8.2 incapable of being satisfied prior to the Termination Date, or (B) if a condition under Sections 8.1 or 8.2 to GTE's obligations hereunder cannot be satisfied prior to the Termination Date;

(ii) by Bell Atlantic, (A) if GTE shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by GTE prior to the Termination Date and (2) renders any condition under Sections 8.1 and 8.3 incapable of being satisfied prior to the Termination Date, or (B) if a condition under Sections 8.1 or 8.3 to Bell Atlantic's obligations hereunder cannot be satisfied prior to the Termination Date;

(e) By either GTE or Bell Atlantic if the Board of Directors of the other or any committee of the Board of Directors of the other (i) shall fail to include in the Joint Proxy Statement its recommendation without modification or qualification that stockholders approve this Agreement and the Merger, in the case of GTE, or the Stock Issuance and the Certificate Amendment, in the case of Bell Atlantic Stock, (ii) shall withdraw or modify in any adverse manner its approval or recommendation of this Agreement or the Merger, in the case of GTE, or the Certificate Amendment or the Stock Issuance in the case of Bell Atlantic, (iii) shall fail to reaffirm such approval or recommendation upon such Party's request, (iv) shall approve or recommend any Alternative Transaction or (v) shall resolve to take any of the actions specified in this Section 9.1(e); or

(f) By either GTE or Bell Atlantic if any of the required approvals of the stockholders of GTE or of Bell Atlantic shall fail to have been obtained at a duly held stockholders meeting of either of such companies, including any adjournments thereof.

SECTION 9.2 — *Effect of Termination.* (a) In the event of termination of this Agreement as provided in Section 9.1 hereof, and subject to the provisions of Section 10.1 hereof, this Agreement shall forthwith become void and there shall be no liability on the part of any of the Parties, except (i) as set forth in this Section 9.2 and in Sections 4.10, 4.16, 5.10,

5.16 and 10.3 hereof, and (ii) nothing herein shall relieve any Party from liability for any willful breach hereof.

(b) If this Agreement (i) is terminated by GTE pursuant to Section 9.1(e) hereof, (ii) could have been (but was not) terminated by GTE pursuant to Section 9.1(e) hereof and is subsequently terminated by Bell Atlantic or GTE pursuant to Section 9.1(f) because of the failure to obtain the Bell Atlantic Stockholder Approval, (iii)(A) could not have been terminated by GTE pursuant to Section 9.1(e) hereof but is subsequently terminated by Bell Atlantic or GTE pursuant to Section 9.1(f) because of the failure to obtain the Bell Atlantic Stockholder Approval, (B) prior to the Bell Atlantic Stockholders' Meeting there shall have been an offer or proposal for, an announcement of any intention with respect to (including the filing of a statement of beneficial ownership on Schedule 13D discussing the possibility of or reserving the right to engage in), or any agreement with respect to, a transaction that would constitute an Alternative Transaction (as defined in Section 6.3(c) hereof, except that for the purposes of this Section 9.2(b), the applicable percentage in clause (i) of such definition shall be fifty percent (50%)) involving Bell Atlantic or any of Bell Atlantic's Subsidiaries, and (C) within 12 months after the termination of this Agreement, Bell Atlantic enters into a definitive agreement with any Third Party with respect to an Alternative Transaction, or (iv) is terminated by GTE as a result of Bell Atlantic's material breach of Section 7.1, Section 7.2(a) or Section 7.2(b) hereof which, in the case of Section 7.1 and Section 7.2(a) only, is not cured within 30 days after notice thereof to Bell Atlantic, Bell Atlantic shall pay to GTE a termination fee of one billion eight hundred million dollars (\$1,800,000,000) (the "GTE Termination Fee").

(c) If this Agreement (i) is terminated by Bell Atlantic pursuant to Section 9.1(e) hereof, (ii) could have been (but was not) terminated by Bell Atlantic pursuant to Section 9.1(e) hereof and is subsequently terminated by GTE or Bell Atlantic pursuant to Section 9.1(f) because of the failure to obtain the GTE Stockholder Approval, (iii)(A) could not have been terminated by Bell Atlantic pursuant to Section 9.1(e) hereof but is subsequently terminated by GTE or Bell Atlantic pursuant to Section 9.1(f) because of the failure to obtain the GTE Stockholder Approval, (B) prior to the GTE Stockholders' Meeting there shall have been an offer or proposal for, an announcement of any intention with respect to (including the filing of a statement of beneficial ownership on Schedule 13D discussing the possibility of or reserving the right to engage in), or any agreement with respect to, a transaction that would constitute an Alternative Transaction (as defined in Section 6.3(c) hereof, except that for the purposes of this Section 9.2(c), the applicable percentage in clause (i) of such definition shall be fifty percent (50%)) involving GTE or any of GTE's Subsidiaries, and (C) within 12 months after the termination of this Agreement, GTE enters into a definitive agreement with any Third Party with respect to an Alternative Transaction, or (iv) is terminated by Bell Atlantic as a result of GTE's material breach of Section 7.1, Section 7.2(c) or Section 7.2(d) hereof which, in the case of Section 7.1 and Section 7.2(c) only, is not cured within 30 days after notice

thereof to GTE, GTE shall pay to Bell Atlantic a termination fee of one billion eight hundred million dollars (\$1,800,000,000) (the "Bell Atlantic Termination Fee").

(d) Each termination fee payable under Sections 9.2(b) and (c) above shall be payable in cash, payable no later than one business day following the delivery of notice of termination to the other Party, or, if such fee shall be payable pursuant to clause (iii) of either of Section 9.2(b) or (c), such fee shall be payable no later than one business day following the day such Party enters into the definitive agreement referenced in such clause (iii).

(e) GTE and Bell Atlantic agree that the agreements contained in Sections 9.2(b) and (c) above are an integral part of the transactions contemplated by this Agreement and the Option Agreements and constitute liquidated damages and not a penalty. In the event of any dispute as to whether any fee due under such Sections 9.2(b) and (c) is due and payable, the prevailing party shall be entitled to receive from the other Party the costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, relating to such dispute. Interest shall be paid on the amount of any unpaid fee at the publicly announced prime rate of Citibank, N.A. from the date such fee was required to be paid.

SECTION 9.3 — Amendment. This Agreement may be amended by the Parties pursuant to a writing adopted by action taken by all of the Parties at any time before the Effective Time; provided, however, that, after approval of the Merger Agreement by the stockholders of GTE or Bell Atlantic, whichever shall occur first, no amendment may be made which would (a) alter or change the amount or kinds of consideration to be received by the holders of GTE Common Stock upon consummation of the Merger, (b) alter or change any term of the Certificate of Incorporation of GTE or the Certificate of Incorporation of Bell Atlantic (except for the implementation at the Effective Time of the Certificate Amendment) or (c) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of securities of GTE or Bell Atlantic. This Agreement may not be amended except by an instrument in writing signed by the Parties.

SECTION 9.4 — Waiver. At any time before the Effective Time, any Party may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only as against such Party and only if set forth in an instrument in writing signed by such Party.

ARTICLE X — GENERAL PROVISIONS

SECTION 10.1 — *Non-Survival of Representations, Warranties and Agreements.* The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 9.1 hereof, as the case may be, except that (a) the agreements set forth in Article I and Sections 2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 7.8, 7.9 and 7.12 hereof shall survive the Effective Time indefinitely, (b) the agreements and representations set forth in Sections 4.10, 4.16, 5.10, 5.16, 7.5 (b), 9.2 and 10.3 hereof shall survive termination indefinitely and (c) nothing contained herein shall limit any covenant or Agreement of the Parties which by its terms contemplates performance after the Effective Time.

SECTION 10.2 — *Notices.* All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date of receipt and shall be delivered personally or mailed by registered or certified mail (postage prepaid, return receipt requested), sent by overnight courier or sent by telecopy, to the Parties at the following addresses or telecopy numbers (or at such other address or telecopy number for a Party as shall be specified by like notice):

(a) if to GTE:

GTE Corporation
One Stamford Forum
Stamford, Connecticut 06904
Attention: William P. Barr
Executive Vice President-Government
and Regulatory and General Counsel
Telecopy No.: (203) 965-3464

with a copy to:

O'Melveny & Myers LLP
153 East 53rd Street, 54th Floor
New York, New York 10066
Attention: Jeffrey J. Rosen, Esq.
Telecopy No.: (212) 326-2061

(b) if to Bell Atlantic:

Bell Atlantic Corporation
1095 Avenue of the Americas, 39th Floor
New York, New York 10036
Attention: Vice President and General Counsel
Telecopy: (212) 597-2587

with a copy to:

Bell Atlantic Network Services, Inc.
1717 Arch Street, 32N
Philadelphia, Pennsylvania 19103
Attention: Assistant General Counsel - Mergers and Acquisitions
Telecopy: (215) 963-9195

and

Skadden, Arps, Slate, Meagher & Flom LLP
919 Third Avenue
New York, New York 10022-3897
Attention: Peter Allan Atkins, Esq.
Telecopy No.: (212) 735-2000

SECTION 10.3 — *Expenses.* Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, except that those expenses incurred in connection with the printing of the Joint Proxy Statement and the Registration Statement, as well as the filing fees related thereto and any filing fee required in connection with the filing of Premerger Notifications under the HSR Act, shall be shared equally by GTE and Bell Atlantic. GTE will pay any real property transfer or similar Taxes imposed on the stockholders of GTE in connection with this Agreement and the transactions contemplated hereby.

SECTION 10.4 — *Certain Definitions.* For purposes of this Agreement, the following terms shall have the following meanings:

(a) "1933 Act" means the Securities Act of 1933, as the same may be amended from time to time, and "Exchange Act" means the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) "affiliate" of a person means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned person.

(c) "commercially reasonable efforts" shall mean those efforts necessary or advisable to advance the interests of the Parties in achieving the purposes and specific requirements and satisfying the conditions of this Agreement, provided that such efforts will not require or include either expense or conduct not ordinarily incurred or engaged in by Parties seeking to implement agreements of this type unless part of a separate mutual understanding of the Parties not contained in this Agreement whether reached before or after the Agreement is executed.

(d) "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

(e) "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as the same may be amended from time to time.

(f) "knowledge" of any Party shall mean the actual knowledge of the executive officers of such Party.

(g) "Material Adverse Effect" means any change in or effect on the business of the referenced corporation or any of its Subsidiaries that is or will be materially adverse to the business, operations (including the income statement), properties (including intangible properties), condition (financial or otherwise), assets, liabilities or regulatory status of such referenced corporation and its Subsidiaries taken as a whole, but shall not include (I) the effects of changes that are generally applicable in (A) the telecommunications industry, (B) the United States economy or (C) the United States securities markets if, in any of (A), (B) or (C), the effect on GTE or Bell Atlantic, determined without including its ownership of GTE after the Merger, (as the case may be) and its respective Subsidiaries, taken as a whole, is not materially disproportionate relative to the effect on the other and its Subsidiaries, taken as a whole. All references to Material Adverse Effect on Bell Atlantic or its Subsidiaries contained in Article IV, V or VI of this Agreement shall be deemed to refer solely to Bell Atlantic and its Subsidiaries without including its ownership of GTE and its Subsidiaries after the Merger.

(h) "Material Investment" means (a) as to GTE, any person which GTE directly or indirectly holds the stock of, or other equity interest in, provided the lesser of the fair market value or book value of such interest exceeds \$100 million, excluding, however, any person which is a Subsidiary of GTE; and (b) as to Bell Atlantic, any person which Bell Atlantic directly or indirectly holds the stock of, or other equity interest in, provided the lesser

of the fair market value or book value of such interest exceeds \$100 million, excluding, however, any Person which is a Subsidiary of Bell Atlantic.

(i) "person" means an individual, corporation, partnership, association, trust, estate, limited liability company, labor union, unincorporated organization, entity or group (as defined in the Exchange Act).

(j) "POR" means the Plan of Reorganization approved by the United States Court for the District of Columbia on August 5, 1983 and the Agreement Concerning Contingent Liabilities, Tax Matters and Termination of Certain Agreements dated as of November 1, 1983, as amended and supplemented.

(k) "Significant Subsidiary" with respect to GTE means any Subsidiary which on the date of determination is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act and, with respect to Bell Atlantic means any Subsidiary which on the date of determination is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act.

(l) "Subsidiary", "GTE Subsidiary", or "Bell Atlantic Subsidiary" means any corporation or other legal entity of which GTE or Bell Atlantic, as the case may be (either alone or through or together with any other Subsidiary or Subsidiaries), owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity. For purposes of this Agreement, Grupo Iusacell S.A. de C.V. shall be deemed to be a Material Investment, and not a Subsidiary, of Bell Atlantic.

SECTION 10.5 — Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.6 — Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the maximum extent possible.

SECTION 10.7 — Entire Agreement; No Third-Party Beneficiaries. This Agreement, the Nondisclosure Agreement and the Stock Option Agreements constitute the entire